

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Delhi by 05-10 at Rs. 3415/q. Prices were lower in Kolhapur at Rs. 3150/q.

Shamli sugar mill is likely to close crushing operation by May'2021. Sugar mills in the district are likely to close their crushing operations by May end. The mills have started closing sugarcane procurement centres as the quantity of cane is reducing day by day. Last year Shamali mill had closed operations on 12th June 2020.

Weather Forecast:

Thunderstorm with lightening & gusty winds very likely at isolated places over Kerala & Mahe and with lightening at isolated places over Uttarakhand, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema, Telangana, Coastal & South Interior Karnataka and Tamilnadu, Puducherry & Karaikal. Heavy rainfall very likely at isolated places over Kerala & Mahe.

Previous Updates:

Sugar output has decreased in Bangladesh. According to the Bangladesh Food and Industries Corporation, Bangladesh sugar production has decreased this season and is at 48,055 tonnes, the sugar recovery percentage has also reduced to about 5.49 percent. The sugar production has mainly fallen because of the closing of state owned sugar mills in Bangladesh and also delayed cane harvesting in this season.

Mawana sugar mill has cleared cane dues of worth Rs. 17.50 crore. Mawana sugar mill has crushed around 181.11 lakh quintals of sugarcane till 17th April '2021 and which is 13.63 lakh quintals more than from previous year during the same time. Mawana sugar mill has also cleared the pending cane dues of Rs. 17.50 crore to cane farmers.

India's has exported about 29.72 lakh tonnes of sugar. Sugar exports from India have reached 29.72 lakh tonnes in the current sugar season 2020-21 whereas in the previous season it was around 30.64 lakh tonnes. This year sugar exports also include 4.48 lakh tonnes of sugar export under MAEQ of 2019-20 which was extended upto 31st December 2020. Also, in the current sugar season Indonesia and Afghanistan has emerged as the major sugar importers from India whereas in the previous season it were Iran and Afghanistan, because of currency restriction this year India's export to Iran was affected.

India's Sugar Production has reached 290.91 lakh tons till 15th April 2021. Sugar production has increased from previous season by 42.66 lakh tons higher than 248.25 lakh tons produced at the same time last year. During the previous season 140 sugar mills were operating by 15th April 2020 where as in the current season 170 sugar mills operated till 15th April 2021.

Maharashtra leads in sugar production. For the first time after five years, Maharashtra has surpassed Uttar Pradesh in sugar production. Till March 2021, Maharashtra has produced more than 100 lakh tonne sugar as against 96 lakh tonne by Uttar Pradesh. In the current sugar season, Maharashtra is expected to produce 105-107 lakh tonne sugar whereas in Uttar Pradesh is expected to produce 105 lakh tonne sugar.

Bangladesh ensures availability of Sugar during Ramzan. Bangladesh Sugar and food Industries Corporation (BSFIC) has ensured the availability of around 44,000 tonnes of sugar in the stock and it will be

supplied to the markets through dealers. According to BSFIC, the annual need of sugar for Bangladesh is around 18 lakh tonnes including 3 lakh tonnes sugar consumed during ramzan. BSFIC provides only 50,000 tonnes of sugar per year and private sector supplies the remaining 17.5 lakh tonnes of sugar. Loose sugar will be supplied at Bangladeshi taka (Tk) 63 per kg and packed is sold around Tk 68 per kg, where else Sugar in retail markets will not be sold around Tk 75.

Sugar mills in Maharashtra have produced around 103.44 lakh MT of sugar. *Sugar mills in Maharashtra have crushed 987.43 lakh MT of cane till 10th April 2021 and have produced around 103.44 lakh MT of sugar with an average recovery of 10.48 percent. Till 10th April around 118 sugar mills have closed their cane crushing operation, while 71 sugar mills are currently operating in the state. Production in Maharashtra is estimated to reach 106 lakh MT where else in the previous season production was around 61.69 lakh MT.*

Six sugar mills from Saharanpur owe arrears of around Rs 691 crore. *Despite the efforts taken by the administration six sugar mills in the district have been able to pay only 46 per cent cane dues. Six sugar mills from the district still owe arrears worth Rs 691 crore. The cane crushing season has entered the last phase and some mills are on the verge of closing their operations. Gangnauli sugar mill has stopped cane crushing operations and Gagaheri mill will soon close its operations.*

Uganda hopes to export sugar to Kenya. *The domestic sugar production in the country has increased by 37% in one year owing to the increase in the investment in the sugar sector by the government as well as private players. The sugar output has increased to 603,788 tonnes compared to 440,935 tonnes in 2019. Uganda had been hoping to resume sugar exports due to a large production deficit but indications suggest otherwise, with Kenya failing to conduct a verification exercise that had been expected in December last year. Although, Kenya had now initiated the verification drive after complaints came in about the exporters from Uganda dumping cheap sugar in the country that had created problem for local producers.*

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Thursday April 22 nd , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
May-21	210422	16.90	17.07	16.81	16.92	-0.02	28,228	79,249	-11,703
Jul-21	210422	16.83	17.05	16.76	16.88	-0.01	70,077	406,501	+5,069
Oct-21	210422	16.64	16.87	16.61	16.76	+0.04	38,346	177,375	-875
Mar-22	210422	16.72	16.93	16.71	16.87	+0.06	26,227	116,731	+92
May-22	210422	15.87	16.03	15.86	16.00	+0.05	5,331	68,977	+392
Jul-22	210422	15.33	15.40	15.26	15.38	+0.04	5,246	67,246	-184
Oct-22	210422	15.00	15.05	14.95	15.04	+0.04	1,725	48,536	+147
Mar-23	210422	14.91	15.02	14.91	15.01	+0.04	894	19,596	+169
Total Volume and Open Interest							177,497	1,014,761	-6,418

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thursday April 22 nd , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210422	462.30	466.50	460.80	462.40	-0.90	4,362	47,823	+659
Oct-21	210422	457.00	460.80	455.80	457.80	-0.10	1,508	16,580	+120
Dec-21	210422	456.70	460.40	456.70	458.80	+1.20	1,308	6,774	+789
Mar-22	210422	455.00	457.40	454.80	456.60	+1.70	675	4,252	+337
Jul-22	210422	445.20	447.20	444.60	446.70	+1.60	447	2,616	+140
Total Volume and Open Interest							8,663	79,916	+2,294

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			23-Apr-21	22-Apr-21	
Delhi	Delhi	M-Grade	3435	3440	-5
	Delhi	S-Grade	3415	3420	-5
Uttar Pradesh	Khatauli	M-Grade	3425	3425	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	NA	NA	-
	Dhampur	S-Grade Ex-Mill	NA	NA	-
	Dhampur	L-Grade Ex-Mill	NA	NA	-
Maharashtra	Mumbai	M-Grade	3350	3350	Unch
	Mumbai	S-Grade	3250	3250	Unch
	Nagpur	M-Grade	3225	3275	-50
	Nagpur	S-Grade	3175	3225	-50
	Kolhapur	M-Grade	3100	3150	-50
	Kolhapur	S-Grade	3050	3100	-50
Assam	Guhawati	S-Grade	3360	3410	-51
Meghalaya	Shillong	S-Grade	3370	3420	-50
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3660	Unch
	Vijayawada	S-Grade (With Duty)	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3500	3500	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3540	3540	Unch
	Coimbatore	M-Grade (DCA)	3540	3540	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	-

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

*DCA: Department of consumer affairs

Jaggery (Gur) Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			23-Apr-21	22-Apr-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3275	3150	125

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2000	4000	-2000
	Muzaffarnagar	Khurpa (Fresh)	2900	2800	100
	Muzaffarnagar	Laddoo (Fresh)	3225	3303	-78
	Muzaffarnagar	Rascut (Fresh)	2675	2625	50
	Hapur	Chaurasa	2950	2950	Unch
	Hapur	Balti	2800	2800	Unch
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	4050	4080	-30
	Mandya	Kurikatu (Medium)	3400	3400	Unch
	Mandya	Other (Medium)	4000	4030	-30
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3450	3450	Unch

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